

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 10, 2003**

AGENDA ITEM NO.: 8

CONSENT: **X**

REGULAR:

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Appropriation Of Rental Rehabilitation Program Income Into Home Program**

RECOMMENDATION:

Amend the FY 2003 Home Program Fund budget and appropriate \$25,000 of Rental Rehabilitation program income to cover expenses in the HOME Program Fund.

SUMMARY:

In May 2000, the Lynchburg Neighborhood Development Foundation (LNDF) expended HOME funds of \$25,000 for the acquisition and rehabilitation of 403 Monroe Street. After acquisition, it was determined that the cost of rehabilitation was not feasible and the funds were returned to the City. Since the return of the funds occurred in different fiscal years it was considered program income and reallocated to additional Home Program projects. Because LNDF returned the funds, the original allocation continued to be available to LNDF. The present budgetary status of the Home Fund reflects that the original \$25,000 has been allocated twice with expenses incurred in both allocations.

Previously, the Community Development Block Grant (CDBG) Program funded the Rental Rehabilitation Loan Program through the Lynchburg Redevelopment and Housing Authority (LRHA). This Program was closed in the early 1990's and the final loan payoff was received during FY 2000. No additional program income will be received for this program. According to HUD regulations, after closeout of the program, the City may expend any additional program income received. Presently there is \$30,222 remaining in the Rental Rehabilitation Program account that can be used to allocate to other HOME eligible projects.

It is recommended that \$25,000 of the Rental Rehabilitation Program funds is allocated to the HOME fund to cover the duplicate expenses incurred by the HOME Program.

PRIOR ACTION(S):

June 3, 2003 Finance Committee

FISCAL IMPACT: After this appropriation there will be an additional \$5,222 remaining in the Rental Rehabilitation program income account to be allocated to HOME projects in FY 2005.

CONTACT(S):

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ATTACHMENT(S): N/A

REVIEWED BY: lkp

Resolution

BE IT RESOLVED that FY 2003 Home Investment Trust Fund budget is amended and \$25,000 is appropriated to the Home Investment Trust Fund, with program income resources from the Rental Rehabilitation designated fund balance to fund the additional HOME eligible projects.

Introduced:

Adopted:

Certified:

Clerk of Council

107L